

Democratic Plan for Proceeding with Appropriations Bills Setting the Right Priorities and Returning to Pay-as-You-Go Budgeting

The House Republican budget is misguided and irresponsible. It shirks our responsibility to make key investments in our country's future and squanders billions of dollars on unaffordable and unfair tax cuts skewed to benefit the most prosperous one percent of Americans.

Their budget provides over \$40 billion in tax cuts for people who make over \$1 million a year, but does not include the funding necessary to make life easier for middle-class families trying to send their kids to college or find and keep affordable healthcare. It does not make critical investments in energy research, infrastructure, and scientific research to keep America #1 in the world.

It is a budget the Republican Leadership could not pass on the House floor, but which they will wrongly try to implement today by having the House Appropriations Committee approve its allocations for each appropriation subcommittee (302b's).

House Appropriations Democrats will offer a responsible amendment to allocations based on two beliefs:

1. the needs of the nation and the needs of middle-class families should come before tax cuts for the most well-off, and
2. Congress must return to the pay-as-you-go requirements that produced balanced budgets under President Clinton for the first time in a generation.

The Democratic amendment to subcommittee allocations is a fiscally disciplined, balanced approach based on the Democratic Budget Alternative offered by Mr. Spratt. It provides \$13 billion in additional funding for key domestic investments, fully funds shortfalls in defense health programs and military family housing, and reduces the deficit by \$13 billion by scaling back the supersized average tax cut for those making more than \$1 million a year from \$114,172 to \$38,918 – almost \$18,000 higher than the average tax cut for those making between \$500,000 and \$1 million a year.

This amendment will be the framework for amendments to appropriations bills throughout the year.

The Democratic approach is a modest, disciplined alternative that will eliminate the unwise, unnecessary, and wrong-headed real reductions in current services contained in the Republican budget in a fiscally responsible manner. Their budget would cut domestic discretionary programs by \$9.4 billion relative to current services. The result is further cuts to national priorities such as: energy research, development, and conservation; education; health care; job training and competitiveness; scientific research; homeland defense; public safety; veterans health care; and the environment.

While these cuts will cause serious damage to important domestic programs, they will have little impact on the \$348 billion deficit their budget is projected to create, and are nothing compared to the \$228 billion in tax cuts for the most wealthy it includes over the next five years.

The Senate knows these cuts are unrealistic and added \$3.2 billion to domestic discretionary spending. House Appropriators agreed, and moved \$7.2 billion from defense and foreign assistance programs into domestic programs.

But even with these moves in the House:

- the bill that funds the Department of Energy and the Army Corps of Engineers is cut by \$172 million mid-energy crisis and post-Katrina;
- funding for veterans and military families is so tight the Republican Subcommittee Chair needed an “emergency” budget gimmick to pay for \$507 million of routine construction projects in that bill;
- the Interior and the Environment bill cuts the Clean Water State Revolving fund by nearly 50% over three years, and funding for lands acquisition by 85% since 2001,
- the Labor, HHS, and Education bill does not keep up with the inflation;
- and the Homeland Security bill will be \$164 million below the request unless the subcommittee makes up for user fees the President had in his budget but knew Congress would never pass.

The Democratic amendment changes subcommittee allocations by:

- **Agriculture:** Adding \$500 million to biofuels research and rural development.
- **Energy and Water:** Adding \$1.0 billion to address our nation’s energy crisis by increasing investments in conservation, new sources of energy such as clean coal technology, biofuels and other alternative sources, and energy R&D.
- **Homeland Security:** Adding \$2.0 billion to improve security at our borders, enhance port security, equip and train first responders, and expand our ability to detect bombs on airplanes.
- **Interior and the Environment:** Adding \$800 million to preserve open spaces, improve services and facilities at our national parks, refuges, and forests, and ensure communities access to clean water.
- **Labor, Health and Human Services, and Education:** Adding \$4.7 billion to improve educational opportunities for our children, help American workers stay competitive in the global economy, support medical research, improve access to health care and protect the public health, and provide heating assistance for our most needy.
- **Military Quality of Life:** Adding \$1.8 billion to fund critical improvements in the veterans’ medical care system, including shorter waiting times at VA health care facilities, expanded supply and quality of prosthetics, modernized health facilities, and enhanced mental health services to address needs resulting from wartime deployments.
- **Science, State, Justice:** Adding \$600 million to sustain assistance to state and local law enforcement including increased funding to fight meth, restore funding for technology development , enhance scientific research, and help programs to improve American small businesses competitiveness.
- **Transportation, Treasury Housing and Urban Development:** Adding \$1.7 billion for Community Development Block Grants, Amtrak, community airports, and provide housing for the most vulnerable Americans, including the elderly and disabled.

The Democratic amendment also provides \$735 million to eliminate the health care tax on military retirees and \$507 million to fully pay for the 24 routine military construction projects requested by the president, but that the Republicans would move from the regular budget to an emergency measure.

In contrast to the Republican budget, this approach will meet our responsibility to invest in America’s future strength in a fiscally and socially responsible manner.